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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: KAY, Alan et al.  
Application No. 09/626,838  
Filed: July 27, 2000  
For: **SYSTEM AND METHOD OF TRANSACTION  
SETTLEMENT USING TRADE CREDIT**  
Examiner: Hamilton, Lalita M.  
Group Art Unit: 3624

**AMENDED APPEAL BRIEF**

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Commissioner of Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Sir:

This is an Amended Appeal Brief under 37 C.F.R. § 41.37 in connection with decision of the Examiner mailed on November 3, 2004 and is filed in response to the Examiner's Notification of Non-Compliant Appeal Brief (37 CFR 41.37) mailed July 28, 2005 in which the Examiner considered that the Appeal Brief filed on April 10, 2005 was defective for failure to comply with one or more provisions of 37 CFR 41.37, namely:

- "The brief does not contain the items required under 37 CFR 41.37(c), or the items are not under the proper heading or in the proper order."
- "The brief does not contain a heading or statement of why the claims do/do not stand or fall together."

Regarding the Examiner's statement that the brief does not contain the items required under 37 CFR 41.37(c), or the items are not under the proper heading or in the proper order, the Appeal Brief filed on April 10, 2005 contained each of items under the headings and in the order indicated in paragraphs (c)(1)(i) through (c)(1)(viii) of 37 CFR 41.37 except (c)(1)((ix) *Evidence appendix* and (c)(1)((x)

*Related proceedings appendix* because there was no evidence submitted pursuant to 37 C.F.R. §§ 1.130, 1.131 or other evidence entered by the examiner and relied on by appellant in the appeal, and there were no decisions rendered by a court or the Board in any other appeals or interferences related to this case. In keeping with the Examiner's requirement, this Amended Appeal Brief adds an Evidence Appendix specifying that there was no evidence submitted pursuant to 37 C.F.R. §§ 1.130, 1.131 or other evidence entered by the examiner and relied on by appellant in the appeal and a Related Proceedings Appendix specifying that there were no decisions rendered by a court or the Board in any other appeals or interferences related to this case.

Regarding the Examiner's statement that the brief does not contain a heading or statement of why the claims do/do not stand or fall together, the Appeal Brief filed on April 10, 2005, treated each ground of rejection under a separate heading as a group as provided under paragraph (c)(1)(vii). Paragraph (c)(1)(vii) provides further that when multiple claims subject to the same ground of rejection are argued as a group, the Board may select a single claim from the group of claims that are argued together to decide the appeal with respect to the group of claims as to the ground of rejection on the basis of the selected claim alone. There is no requirement in paragraph (c)(1)(vii) for a statement that "the claims do not stand or fall together" corresponding to the requirement in former 37 CFR 1.192(c)(7) *Grouping of Claims*.

It is believed that the Amended Brief fully complies with all provisions of 37 CFR 41.37(c) and that each of the topics required by § 41.37 is presented herewith and is labeled appropriately. It is not believed that any additional fees are due, but if so, please charge any deficiency to Deposit Account No. 50-1458.

**(1) Real Party In Interest**

The real party in interest is Orbian Management Limited.

**(2) Related Appeals And Interferences**

There are no other appeals or interferences related to this case.

**(3) Status Of Claims**

Claims 1-9, 12-35, 38-50, 53-75, and 78-86 are pending and all have been rejected.

Claims 10, 11, 36, 37, 51, 52, 76, and 77 have been cancelled.

No claims have been allowed.

No claims have been withdrawn.

Claims 1-9, 12-35, 38-50, 53-75, and 78-86 are hereby appealed.

**(4) Status of Amendments**

There are no amendments after final rejection.

**(5) Summary of Claimed Subject Matter**

Independent claims 1 and 41, respectively, propose a method and system of settling a transaction using trade credit value in which trade credit value that is a divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status promissory obligation is stored for a first user. See, e.g., Spec. p. 6, lines 13-25; p. 7, lines 7-10; and p. 8, lines 2-5. Upon receiving a request from the first user to transfer a pre-determined amount of the stored trade credit value to a second user in settlement of the transaction, the availability of the requested amount of trade credit value stored for the first user for settlement of the transaction is confirmed, and the requested amount of trade credit value is transferred from the first user to the second user. See, e.g., Spec. 6, lines 13-17; p. 7, lines 12-17; and p. 8, line 16-p. 9, line 2. Claims 1 and 41 propose further that thereafter the second user is allowed to use the transferred amount of trade credit value for any of the settlement of another transaction for the second user, discounting for cash before a pre-defined maturity of the trade credit value, or holding through to the pre-defined maturity of the trade credit value. See, e.g., Spec. p. 7, lines 17-22; and p. 9, lines 13-21.

Independent claim 81 proposes a financing and payment method incorporating one or more trade credits in which a membership agreement is concluded by a buyer, a seller, and a financial intermediary defining rights and obligations of each party to the other which include the use of one or more trade credits that are divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status promissory obligations. See, e.g., Spec. p. 6, lines 13-25; p. 7, lines 7-10; p. 8, lines 2-5; and p. 9, line 22-26. The buyer enters an agreement for a transaction with the seller that can optionally be modified to extend payment terms of the agreement through negotiation between the buyer and the seller. See, e.g., Spec. p. 9, line 26-p. 10, line 1. Thereafter, a trade credit is issued to the seller in payment of the transaction which has payment terms according to the transaction agreement or the modification, and an obligation by the buyer to pay an amount equal to the transaction payment is simultaneously accepted. See, e.g., Spec. p. 10, lines 1-5. Claim 81 proposes further that the seller is allowed to realize payment of the trade credit either by presenting the trade credit for immediate payment of its face amount, less a discount amount, or receiving the face value of the trade credit at maturity. See, e.g., Spec. p. 10, lines 5-7.

The term “trade credits” as recited in independent claims 1, 41, and 81, is clearly defined in the present application to mean “electronic instruments” which “are effectively electronic bills of exchange that are divisible, discountable, continuously available and have been credit-enhanced to investment grade status”. See, e.g., Spec., p. 6, lines 13-19; and p. 12, lines 17-21. In addition, “trade credits” as recited in independent claims 1, 41, and 81 are “divisible” as opposed, i.e., to a paper instrument promissory note given in payment of an invoice (see, e.g., Spec. p. 2, lines 1-21); “continuously available”, i.e., can be discounted for cash before maturity at a cost appropriate to an investment grade rated trade bill and not related to the holder’s credit standing, utilized to settle another transaction, or be held through to value date at maturity (see, e.g., Spec., p. 15, lines 9-17); “transferable”, i.e., can be transferred to settle an obligation to a transferee, who then has the same options to discount,

transfer, or hold (see, e.g., Spec., p. 84, lines 15-24); “discountable” for cash less a discount amount based on an investment grade rating (see, e.g., Spec. p. 10, lines 5-13); and “credit enhanced to investment grade status”, i.e., in which the risk judgment is taken only at the beginning of the value chain at an investment grade level and the instrument and value pass through electronically from hand to hand without any new default risk arising or being created as the trade credit value transfers further down the supply chain, retaining the credit standing of the investment grade obligation all the way through the supply chain without additional risk (see, e.g., Spec. p. 15, line 22-p. 16, line 8).

**(6) Grounds of Rejection to be Reviewed on Appeal**

a) Claims 1-5, 8, 9, 12-15, 18-35, 38-45, 48-50, 53-55, 58-75, and 78-85 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Mandler (U.S. Pat. No. 5,732,400) in view of Walker (U.S. 6,267,292).

b) Claims 6, 7, 16, 17, 46, 47, 56, 57, and 86 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Mandler (U.S. Pat. No. 5,732,400) and Walker (U.S. 6,267,292) in view of Conklin (U.S. Pat. No. 6,338,050).

**(7) Argument**

**The Combination of Mandler and Walker to Reject  
Claims 1-5, 8, 9, 12-15, 18-35, 38-45, 48-50, 53-55, 58-75, and 78-85 Is Improper**

With regard to independent claims 1, 41, and 81, the Examiner considers that Mandler discloses each and every element of claims 1, 41, and 81, except “a trade credit value that is transferable”, which the Examiner considers to be taught by Walker. On the contrary, Mandler discloses a charge account in which a buyer submits a credit account application to a “clearinghouse” that sets up a credit limit and credit fee based on the buyer's credit standing and acts as a broker between the buyer and one or more sellers by getting quotes for the buyer from various sellers,

forwarding purchase orders from the buyer to a particular seller together with a credit authorization for the buyer, invoicing the buyer for the purchase, and creating an account payable to the seller for the purchase less the credit fee retained by the “clearinghouse”. See, e.g., Mandler, Col 6, line 44-Col 8, lines 19.

Not only does Mandler fail to disclose trade credit value that is transferable as conceded by the Examiner, but indeed Mandler also fails to disclose trade credit value that is divisible, that is continuously available, that is discountable, and that is credit enhanced to investment grade status, as recited in claims 1 and 41. Rather, according to Mandler, the “clearinghouse” receives a buyer’s credit application and simply sets a credit limit for the buyer based on the buyer’s credit rating and determines a fee to charge sellers in credit transactions with the buyer. See, e.g., Mandler, Col 6, line 44-Col 7, line 12 and Figs. 3A and B. It is abundantly clear that the term “trade credit” as used in Mandler refers simply to allowing the buyer to charge purchases on the charge account set up with the “clearinghouse”, an arrangement that is virtually identical to principal aspects of a typical credit card account.

Further, instead of confirming an availability of a requested amount of trade credit value (i.e., the divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status promissory obligation) upon receiving a request from the first user to transfer a pre-determined amount of the stored trade credit value to a second user in settlement of a transaction, as recited in claims 1 and 41, according to Mandler, when the “clearinghouse” receives a purchase order from the buyer based on a seller’s quote previously forwarded to the buyer, the “clearinghouse” simply reviews the buyer’s credit rating and credit limit and forwards the purchase order together with a credit approval for the buyer to the seller. See, e.g., Mandler, Col 7, lines 21-52.

In addition, there is no hint of teaching or suggestion in Mandler of transferring the requested amount of trade credit value (i.e., the divisible, continuously available, transferable, discountable, and credit enhanced to investment

grade status promissory obligation) from a first user to a second user as recited in claims 1 and 41. On the contrary, according to Mandler, the “clearinghouse” simply invoices the buyer for the purchase and creates an account payable to the seller less the credit charge. See, e.g., Mandler, Col 7, line 53-Col 8, line 7.

Moreover, Mandler fails completely to teach or suggest allowing the transferred amount of trade credit value (i.e., the divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status promissory obligation) to be used by the second user for settlement of another transaction for the second user, or for discounting for cash before a pre-defined maturity of the trade credit value or for holding through to the pre-defined maturity of the trade credit value, as recited in claims 1 and 41. On the contrary, as conceded by the Examiner, Mandler fails to disclose trade credit value that is transferable and consequently fails to disclose uses for transferred trade credit value. Instead, Mandler discloses only that at the same time the “clearinghouse” of Mandler invoices the buyer, it simply creates an ordinary account payable to the seller less the credit charge. See, e.g., Mandler, Col 8, lines 7-14.

With regard to independent claim 81, likewise, not only does Mandler fail to disclose trade credit value that is transferable as conceded by the Examiner, but neither is there any teaching or suggestion in Mandler of issuing trade credit that is divisible, that is continuously available, that is discountable, and that is credit enhanced to investment grade status, to the seller with payment terms according to a transaction agreement and simultaneously accepting an obligation by the buyer, as recited in claim 81. Rather, as previously noted with respect to claims 1 and 41, according to Mandler, the “clearinghouse” simply sets a credit limit for the buyer, invoices the buyer for purchases, and creates accounts payable for purchases to the sellers in an arrangement that is virtually identical to a typical credit card account.

Moreover, instead of allowing the seller to realize payment of the trade credit that is divisible, that is continuously available, that is transferable, that is

discountable, and that is credit enhanced to investment grade status by either presenting the trade credit for immediate payment of its face amount less a discount amount or receiving the face value of the trade credit at maturity, as recited in claim 81, as likewise previously noted with respect to claims 1 and 41, when the clearinghouse of Mandler invoices the buyer, it simply creates an ordinary account payable to the seller less the “clearinghouse”.

Walker fails to remedy the deficiencies of Mandler. On the contrary, Walker discloses a system that allows a cardholder to charge a transfer of funds or a transfer of part of his credit limit to the credit card account of another cardholder. See, e.g., Walker, Col. 6, line-1-Col. 8, line 29. According to Walker, the amount of a fund transfer shows up as a balance due on the transferor’s card account and as a credit (similar to returned merchandise) on the transferee’s card account (see, e.g., Walker, Col. 6, lines 1-37 and Col. 8, lines 29-44), and the amount of a credit limit transfer shows up as a decrease on the transferor’s credit limit and an increase in the transferee’s credit limit (guaranteed by the transferor). See, e.g., Walker, Col. 12, line 61-Col 13, line 23.

Thus, instead of storing trade credit value for a first user that is a divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status promissory obligation, as recited in claims 1 and 41, Walker simply discloses a credit card account against which the cardholder can charge the transfer of funds or the transfer of part of his credit limit to another credit card account. See, e.g., Walker, Col. 6, lines 1-37.

Nor is there any teaching or suggestion in Walker of transferring trade credit value that is divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status from a first user to a second user, as recited in claims 1 and 41. Instead, according to Walker, the transferor’s card issuer debits the transferor’s credit card by the transfer amount, and the transferee’s card issuer credits



the transferee's credit card with the same amount less a transfer fee. See, e.g., Walker, Col. 8, lines 26-29.

Moreover, there is no teaching or suggestion whatsoever in Walker of allowing the transferred amount of trade credit value that is divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status to be used by the second user for any of settlement of another transaction for the second user, discounting for cash before a pre-defined maturity of the trade credit value, and/or holding through to the pre-defined maturity of the trade credit value, as recited in claims 1 and 41. On the contrary, according to Walker, the result of a transfer of funds is that the transferor's credit card balance is increased and the transferee's credit card balance is decreased, and the result of a transfer of credit limit is that the transferor's credit limit is decreased and the transferee's credit limit is increased.

Regarding claim 81, instead of issuing trade credit that is a divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status to the seller with payment terms according to a transaction agreement and simultaneously accepting an obligation by the buyer, as recited in claim 81, as previously noted with respect to claims 1 and 41, Walker simply discloses a credit card account against which the cardholder can charge the transfer of funds or the transfer of part of his credit limit to another credit card account.

Further, instead of allowing the seller to realize payment of the trade credit that is divisible, that is continuously available, that is transferable, that is discountable, and that is credit enhanced to investment grade status by either presenting the trade credit for immediate payment of its face amount less a discount amount or receiving the face value of the trade credit at maturity, as recited in claim 81, as likewise previously noted with respect to claims 1 and 41, according to Walker, the result of a transfer of funds is simply that the transferor's credit card balance is increased and the transferee's credit card balance is decreased, and the result of a

transfer of credit limit is simply that the transferor's credit limit is decreased and the transferee's credit limit is increased.

Consequently, Mandler and/or Walker, either alone or in combination with one another, do not disclose, nor even suggest, at least the required combinations of limitations recited in claims 1, 41, and/or 81. Because the cited references, either alone or in combination, do not teach the limitations of independent claims 1, 41 and/or 81, the Examiner has failed to establish the required *prima facie* case of unpatentability. See In re Royka, 490 F.2d 981, 985 (C.C.P.A., 1974) (holding that a *prima facie* case of obviousness requires the references to teach all of the limitations of the rejected claim); See also MPEP §2143.03.

Similarly, the Examiner has failed to establish a *prima facie* case of unpatentability for claims 2-5, 8, 9, 12-15, 18-35, and 38-40 that depend on claim 1, claims 42-45, 48-50, 53-55, 58-75, and 78-80 that depend on claim 41, and/or claims 82-85 that depend on claim 81, and which recite further specific elements that have no reasonable correspondence to the references.

**The Combination of Mandler, Walker, and Conklin to Reject  
Claims 6, 7, 16, 17, 46, 47, 56, 57, and 86 Is Improper**

As noted above, because Mandler and/or Walker, either alone or in combination, do not teach the limitations of independent claims 1, 41, and/or 81, the Examiner has failed to establish the required *prima facie* case of unpatentability of independent claims 1, 41, and/or 81, and similarly has failed to establish a *prima facie* case of unpatentability for claims 6, 7, 16, and 17 that depend on claim 1, claims 46, 47, 56, and 57 that depend on claim 41, and claim 86 that depends on claim 81, and which recite further specific elements that have no reasonable correspondence to the references.

Conklin fails to remedy the deficiencies of Mandler and/or Walker. On the contrary, Conklin teaches a portal website with search engine and database

functionality that enables “sponsors” to create and administer “community” websites via which sellers can negotiate and create hosted websites for a fee. See, e.g., Conklin, Abstract. Sellers must be ISO compliant, pay the “sponsor’s” fees, and be capable of various transaction and payment methods. According to Conklin, “sponsor” functions include making rules for and creating the “community” website using a template and entering sellers’ names and products on the portal search engine as well as on external search engines and databases. See, e.g., Conklin, Col 28, lines 25-65; Figs. 1j; and Fig. 24.

There is no teaching, nor even a suggestion, in Mandler, Walker and/or Conklin, for example, of storing or transferring trade credit value for a first user that is a divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status promissory obligation, as recited in claims 1 and 41. Nor is there any teaching or suggestion whatsoever in Mandler, Walker and/or Conklin of allowing the transferred amount of trade credit value that is divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status to be used by the second user for any of settlement of another transaction for the second user, discounting for cash before a pre-defined maturity of the trade credit value, or holding through to the pre-defined maturity of the trade credit value, as recited in claims 1 and 41.

Likewise, there is no teaching of suggestion in Mandler, Walker and/or Conklin whatsoever of a membership agreement between a buyer, seller, and financial intermediary defining rights and obligations of each party to the other that include the use of a trade credit that is divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status, as recited in claim 81. Nor do Mandler, Walker and/or Conklin teach or suggest issuing a trade credit that is divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status to the Seller in payment of a transaction, as recited in claim 81.

Neither is there any teaching or suggestion in Mandler, Walker and/or Conklin of allowing the Seller to realize payment of the trade credit that is divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status by either presenting the trade credit for immediate payment of its face amount, less a discount amount, or receiving the face value of the trade credit at maturity, as recited in claim 81.

Consequently, the claimed combinations are not taught or suggested by Mandler, Walker, and/or Conklin either separately or in combination with one another. Because Mandler, Walker, and/or Conklin, either alone or in combination, do not teach the limitations of independent claims 1, 41, and/or 81, the Examiner has failed to establish the required *prima facie* case of unpatentability. See In re Royka, 490 F.2d 981, 985 (C.C.P.A., 1974) (holding that a *prima facie* case of obviousness requires the references to teach all of the limitations of the rejected claim); See also MPEP §2143.03.

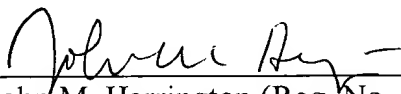
The Examiner has failed to establish the required *prima facie* case of unpatentability for independent claims 1, 41, and/or 81, and similarly has failed to establish a *prima facie* case of unpatentability for claims 6, 7, 16, and 17 that depend on claim 1, claims 46, 47, 56, and 57 that depend on claim 41, and/or claim 86 that depends on claim 81, and which recite further specific elements that have no reasonable correspondence with Mandler, Walker, and/or Conklin.

**Conclusion**

For at least the reasons given above, the rejections of claims 1-9, 12-35, 38-50, 53-75, and 78-86 are improper. Applicant respectfully requests the final rejection by the Examiner be reversed and claims 1-9, 12-35, 38-50, 53-75, and 78-86 be allowed. Attached below is an Appendix of claims 1-9, 12-35, 38-50, 53-75, and 78-86 for ease of reference.

Respectfully submitted,

Date: 8/29/01

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**(8) Claims Appendix**

1. A method of settling a transaction using trade credit value, comprising:

storing trade credit value for a first user that is a divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status promissory obligation;

receiving a request from the first user to transfer a pre-determined amount of the stored trade credit value to a second user in settlement of the transaction;

confirming an availability of the requested amount of trade credit value stored for the first user for settlement of the transaction;

transferring the requested amount of trade credit value from the first user to the second user; and

allowing the transferred amount of trade credit value to be used by the second user in any of settlement of another transaction for the second user, discounting for cash before a pre-defined maturity of the trade credit value, and holding through to the pre-defined maturity of the trade credit value.

2. The method of claim 1, wherein storing the trade credit value further comprises storing the trade credit value in an operational account of the first user.

3. The method of claim 2, wherein storing the trade credit value in the operational account of the first user further comprises establishing the operational account for the first user in a trade credit settlement system.

4. The method of claim 3, wherein establishing the operational account for the first user further comprises allowing the first user to register for membership in the trade credit settlement system.

5. The method of claim 4, wherein allowing the first user to register for membership in the trade credit settlement system further comprises receiving an approval of a sponsor-member of the trade credit settlement system for the first user's registration for membership.
6. The method of claim 5, wherein receiving the approval for the first user's registration for membership further comprises allowing the sponsor-member to register for sponsor-membership in the trade credit settlement system.
7. The method of claim 6, wherein allowing the sponsor-member to register for sponsor-membership further comprises recognizing the sponsor-member as a valid trading entity by the trade credit settlement system.
8. The method of claim 1, wherein storing the trade credit value further comprises storing the trade credit value in the form of a trade credit.
9. The method of claim 8, wherein storing trade credit value in the form of the trade credit further comprises storing the trade credit as an electronic promissory obligation.
12. The method of claim 1, wherein receiving the request further comprises receiving the request to transfer the pre-determined amount of the trade credit value from at least one of an operational account and a drawdown account of the first user to an operational account of the second user.
13. The method of claim 12, wherein receiving the request to transfer the pre-determined amount of the trade credit value from the operational account of the first user further comprises establishing the operational account for the first user in a trade credit settlement system.
14. The method of claim 13, wherein establishing the operational account for the first user further comprises allowing the first user to register for membership in the

trade credit settlement system.

15. The method of claim 14, wherein allowing the first user to register for membership further comprises receiving an approval of a sponsor-member of the trade credit settlement system for the first user's registration for membership.

16. The method of claim 15, wherein receiving the approval for the first user's registration for membership further comprises allowing the sponsor-member to register for sponsor-membership in the trade credit settlement system.

17. The method of claim 16, wherein allowing the sponsor-member to register for sponsor-membership in the trade credit settlement system further comprises recognizing the sponsor-member as a valid trading entity by the trade credit settlement system.

18. The method of claim 12, wherein receiving the request to transfer the pre-determined amount of the trade credit value from the drawdown account of the first user further comprises establishing the drawdown account for the first user.

19. The method of claim 18, wherein establishing the drawdown account for the first user further comprises allowing the first user to register for membership in a trade credit settlement system.

20. The method of claim 19, wherein establishing the drawdown account for the first user further comprises receiving an approval of a sponsor-member of the trade credit settlement system of a request by the first user for the drawdown account.

21. The method of claim 1, wherein confirming the availability further comprises confirming the availability of the requested amount of trade credit value in at least one of an operational account and a drawdown account of the first user.

22. The method of claim 21, wherein confirming the availability of the requested amount of trade credit value in the operational account further comprises establishing



the operational account for the first user in a trade credit settlement system.

23. The method of claim 22, wherein establishing the operational account for the first user further comprises allowing the first user to register for membership in the trade credit settlement system.

24. The method of claim 21, wherein confirming the availability further comprises confirming the availability of the requested amount of trade credit value in the operational account of the first user and, if required and available, in the drawdown account of the first user.

25. The method of claim 21, wherein confirming the availability of the requested amount of trade credit value in the drawdown account further comprises establishing the drawdown account for the first user.

26. The method of claim 25, wherein establishing the drawdown account for the first user further comprises allowing the first user to register for membership in a trade credit settlement system.

27. The method of claim 26, wherein establishing the drawdown account for the first user further comprises receiving an approval of a sponsor-member of the trade credit settlement system of a request by the first user for the drawdown account.

28. The method of claim 1, wherein transferring the requested amount of trade credit value further comprises transferring the requested amount of trade credit value from at least one of an operational account of the first user and a drawdown account of the first user to an operational account of the second user.

29. The method of claim 28, wherein transferring the requested amount of trade credit value further comprises transferring the requested amount of trade credit value from the operational account of the first user and, if required and available, from the drawdown account of the first user, to the operational account of the second user.

30. The method of claim 28, wherein transferring the requested amount of trade credit value from the operational account of the first user further comprises issuing the requested amount of trade credit value to the operational account of the second user and canceling trade credit value in the operational account of the first user having a present value equal to a present value of the issued trade credit value.

31. The method of claim 28, wherein transferring the requested amount of trade credit value to the operational account of the second user further comprises establishing the operational account for the second user in a trade credit settlement system.

32. The method of claim 31, wherein establishing the operational account for the second user further comprises allowing the second user to register for membership in the trade credit settlement system.

33. The method of claim 28, wherein transferring the requested amount of trade credit value from the drawdown account of the first user further comprises issuing the requested amount of trade credit value to the operational account of the first user and issuing an offsetting amount of trade credit value to the operational account of the second user.

34. The method of claim 1, wherein transferring the requested amount of trade credit value further comprises transferring the requested amount of trade credit value in the form of a trade credit.

35. The method of claim 34, wherein transferring the requested amount of trade credit value in the form of the trade credit further comprises transferring the trade credit as an electronic promissory obligation.

38. The method of claim 1, wherein allowing the transferred amount of trade credit value to be used by the second member in settlement of another transaction for the second user further comprises allowing the second user to liquidate the trade

credit value to a credit on the second user's account.

39. The method of claim 1, wherein allowing the transferred amount of trade credit value to be used by the second member in discounting for cash before a pre-defined maturity of the trade credit value further comprises allowing the second user to liquidate the trade credit value for cash at a pre-determined discount rate prior to the pre-defined maturity.

40. The method of claim 1, allowing the transferred amount of trade credit value to be used by the second member in holding through to the pre-defined maturity of the trade credit value further comprises debiting a predesignated account of the first user for the balance due on the trade credit value at the pre-defined maturity.

41. A system for settling a transaction using trade credit value, comprising:

means for storing trade credit value for a first user that is a divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status promissory obligation;

means for receiving a request from the first user to transfer a pre-determined amount of the trade credit value from the first user to a second user in settlement of the transaction;

means for confirming an availability of the requested amount of trade credit value stored for the first user for settlement of the transaction;

means for transferring the requested amount of trade credit value from the first user to the second user; and

means for allowing the transferred amount of trade credit value to be used by the second user in any of settlement of another transaction for the second user, discounting for cash before a pre-defined maturity of the trade credit value, and holding through to the pre-defined maturity of the trade credit value.

42. The system of claim 41, wherein the means for storing the trade credit value further comprises an operational account for the first user residing on a transaction credit settlement system server.
43. The system of claim 42, further comprising means for establishing the operational account for the first user on the trade credit settlement system server.
44. The system of claim 43, wherein the means for establishing the operational account for the first user further comprises means for allowing the first user to register for membership in a trade credit settlement system.
45. The system of claim 44, wherein the means for allowing the first user to register for membership in the trade credit settlement system further comprises means for receiving an approval of a sponsor-member of the trade credit settlement system for the first user's registration for membership.
46. The system of claim 45, wherein the means for receiving the approval for the first user's registration for membership further comprises means for allowing the sponsor-member to register for sponsor-membership in the trade credit settlement system.
47. The system of claim 46, wherein the means for allowing the sponsor-member to register for sponsor-membership further comprises means for recognizing the sponsor-member as a valid trading entity by the trade credit settlement system.
48. The system of claim 41, wherein the means for storing the trade credit value further comprises means for storing trade credit value in the form of a trade credit.
49. The system of claim 48, wherein the means for storing trade credit value in the form of the trade credit further comprises means for storing the trade credit as an electronic promissory obligation.
50. The system of claim 41, wherein the means for storing trade credit value

further comprises means for storing the trade credit value as at least one of a divisible trade credit value, a continuously available trade credit value, a transferable trade credit value, a discountable trade credit value, a credit enhanced trade credit value, and an investment grade trade credit value.

53. The system of claim 52, wherein the means for receiving the request to transfer the pre-determined amount of the trade credit value from the operational account of the first user further comprises means for establishing the operational account for the first user in a trade credit settlement system.

54. The system of claim 53, wherein the means for establishing the operational account for the first user further comprises means for allowing the first user to register for membership in the trade credit settlement system.

55. The system of claim 54, wherein the means for allowing the first user to register for membership further comprises means for receiving an approval of a sponsor-member of the trade credit settlement system for the first user's registration for membership.

56. The system of claim 55, wherein the means for receiving the approval for the first user's registration for membership further comprises means for allowing the sponsor-member to register for sponsor-membership in the trade credit settlement system.

57. The system of claim 56, wherein the means for allowing the sponsor-member to register for sponsor-membership in the trade credit settlement system further comprises means for recognizing the sponsor-member as a valid trading entity by the trade credit settlement system.

58. The system of claim 52, wherein the means for receiving the request to transfer the pre-determined amount of the trade credit value from the drawdown account of the first user further comprises means for establishing the drawdown

account for the first user.

59. The system of claim 58, wherein the means for establishing the drawdown account for the first user further comprises means for allowing the first user to register for membership in a trade credit settlement system.

60. The system of claim 59, wherein the means for establishing the drawdown account for the first user further comprises means for receiving an approval of a sponsor-member of the trade credit settlement system of a request by the first user for the drawdown account.

61. The system of claim 41, wherein the means for confirming the availability further comprises means for confirming the availability of the requested amount of trade credit value in at least one of an operational account and a drawdown account of the first user.

62. The system of claim 61, wherein the means for confirming the availability of the requested amount of trade credit value in the operational account further comprises means for establishing the operational account for the first user in a trade credit settlement system.

63. The system of claim 62, wherein the means for establishing the operational account for the first user further comprises means for allowing the first user to register for membership in the trade credit settlement system.

64. The system of claim 61, wherein the means for confirming the availability further comprises means for confirming the availability of the requested amount of trade credit value in the operational account of the first user and, if required and available, in the drawdown account of the first user.

65. The system of claim 61, wherein the means for confirming the availability of the requested amount of trade credit value in the drawdown account further comprises

means for establishing the drawdown account for the first user.

66. The system of claim 65, wherein the means for establishing the drawdown account for the first user further comprises means for allowing the first user to register for membership in a trade credit settlement system.

67. The method of claim 66, wherein the means for establishing the drawdown account for the first user further comprises means for receiving an approval of a sponsor-member of the trade credit settlement system of a request by the first user for the drawdown account.

68. The system of claim 41, wherein the means for transferring the requested amount of trade credit value further comprises means for transferring the requested amount of trade credit value from at least one of an operational account of the first user and a drawdown account of the first user to an operational account of the second user.

69. The system of claim 68, wherein the means for transferring the requested amount of trade credit value further comprises means for transferring the requested amount of trade credit value from the operational account of the first user and, if required and available, from the drawdown account of the first user, to an operational account of the second user.

70. The system of claim 68, wherein the means for transferring the requested amount of trade credit value from the operational account of the first user further comprises means for issuing the requested amount of trade credit value to the operational account of the second user and canceling trade credit value in the operational account of the first user having a present value equal to a present value of the issued trade credit value.

71. The system of claim 68, wherein the means for transferring the requested amount of trade credit value from the drawdown account of the first user further

comprises means for issuing the requested amount of trade credit value to the operational account of the first user and issuing an offsetting amount of trade credit value to the operational account of the second user.

72. The system of claim 68, wherein the means for transferring the requested amount of trade credit value to the operational account of the second user further comprises means for establishing the operational account for the second user in a trade credit settlement system.

73. The system of claim 72, wherein the means for establishing the operational account for the second user further comprises means for allowing the second user to register for membership in the trade credit settlement system.

74. The system of claim 41, wherein the means for transferring the requested amount of trade credit value further comprises means for transferring the requested amount of trade credit value in the form of a trade credit.

75. The system of claim 74, wherein the means for transferring the requested amount of trade credit value in the form of the trade credit further comprises means for transferring the trade credit as an electronic promissory obligation.

78. The system of claim 41, wherein the means for allowing the transferred amount of trade credit value to be used by the second member in settlement of another transaction for the second user further comprises means for allowing the second user to liquidate the trade credit value to a credit on the second user's account.

79. The system of claim 41, wherein the means for allowing the transferred amount of trade credit value to be used by the second member in discounting for cash before a pre-defined maturity of the trade credit value further comprises means for allowing the second user to liquidate the trade credit value for cash at a pre-determined discount rate prior to the pre-defined maturity.



80. The system of claim 41, wherein the means for allowing the transferred amount of trade credit value to be used by the second member in holding through to the pre-defined maturity of the trade credit value further comprises means for debiting a predesignated account of the first user for the balance due on the trade credit value at the pre-defined maturity.

81. A financing and payment method incorporating a new use of at least one trade credit, which is utilized by a Buyer, a Seller, and a Financial Intermediary, said method including the following steps:

concluding an membership agreement by the Buyer, the Seller, and the Financial Intermediary, which defines rights and obligations of each party to the other that include the use of at least one trade credit that is a divisible, continuously available, transferable, discountable, and credit enhanced to investment grade status promissory obligation;

entering an agreement by the Buyer for a transaction with the Seller;  
optionally modifying the transaction agreement to extend payment terms of the transaction agreement through negotiation between the Buyer and the Seller;

issuing a trade credit to the Seller in payment of the transaction, the trade credit having payment terms according to one of the transaction agreement and the modification of the transaction agreement, and simultaneously accepting an obligation by the Buyer to pay an amount equal to the transaction payment; and

allowing the Seller to realize payment of the trade credit by either of presenting the trade credit for immediate payment of its face amount, less a discount amount, and receiving the face value of the trade credit at maturity.

82. The method of claim 81, wherein simultaneously accepting an obligation by the Buyer to pay an amount equal to the transaction payment further comprises

simultaneously accepting an obligation by the Buyer to pay an amount equal to the transaction payment plus a cost to the Buyer determined by a credit-worthiness of the Buyer.

83. The method of claim 81, wherein allowing the Seller to realize payment of the trade credit by presenting the trade credit for immediate payment of its face amount, less a discount amount, further comprises allowing the Seller to realize payment of the trade credit by presenting the trade credit for immediate payment of its face amount, less a discount amount based on an investment grade rating of the trade credit.

84. The method of claim 81, wherein the Financial Intermediary provides an Active and a Reserve Account for the Buyer, the Active Account showing current trade credits receivable, as well as transaction details and history, including fees and charges, and the Reserve Account showing current trade credits payable, as well as credit available to be issued, and transaction details and history, including fees and charges.

85. The system of claim 81, wherein the Financial Intermediary provides an Active and a Reserve Account for the Seller, the Active Account showing current trade credits receivable, as well as transaction details and history, including fees and charges, and the Reserve Account showing current trade credits payable, as well as credit available to be issued, and transaction details and history, including fees and charges.

86. The system of claim 81, wherein a Sponsor, as a further intermediary, works with the Financial Intermediary to introduce parties to enter membership agreements.

**(9) Evidence Appendix**

There was no evidence submitted pursuant to 37 C.F.R. §§ 1.130, 1.131 and no other evidence entered by the examiner and relied on by appellant in the appeal.

**(10) Related Proceedings Appendix**

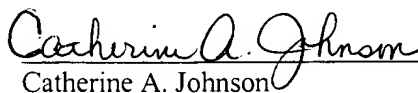
There were no decisions rendered by a court or the Board in any other appeals or interferences related to this case.



## EXPRESS MAIL CERTIFICATE

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I hereby certify that the documents identified above are being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. 1.10 on the date indicated above and are addressed to Mail Stop Appeal Brief-Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

  
Catherine A. Johnson